

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6383**

**BILL NUMBER:** HB 1218

**DATE PREPARED:** Dec 3, 2001

**BILL AMENDED:**

**SUBJECT:** Sale of Charitable Raffle Tickets.

**FISCAL ANALYST:** Jim Landers

**PHONE NUMBER:** 232-9869

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill provides that a qualified organization conducting a raffle event under the charity gaming laws may enter an agreement with an individual to offer raffle tickets for sale as an authorized raffle event agent of the organization. The bill also provides that the individual may not be compensated for participating in the raffle event. The bill sets forth various procedural and documentation requirements pertaining to an individual's participation in a raffle event.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** Potentially the Department of State Revenue could incur additional administrative expenses associated with (1) changing application forms and instructions for the raffle event license and (2) new reporting requirements for individuals who sell raffle tickets for organizations licensed to conduct raffle events.

*Background:* The bill would allow individuals who are not members to sell raffle tickets for organizations licensed to conduct raffle events. Currently, individuals who conduct ("operators") or assist in conducting ("workers") raffle events for a qualified organization must be members in good standing of the organization. An operator must be a member in good standing for at least one year at the time of the raffle, and a worker must be a member in good standing for 30 days at the time of the raffle. The bill requires the organization to provide information on its application for the raffle license about individuals who will sell raffle tickets for the organization. It also requires the individuals who sell raffle tickets to report sales and other information to the Department of State Revenue.

**Explanation of State Revenues:** The bill could result in an increase in revenue from fees charged to organizations obtaining licenses to conduct raffle events. The extent of this increase is indeterminable, but based on current raffle activity and current license fees the impact should be minimal.

*Background:* Under current law, a bona fide civic, educational, political, religious, senior citizens, or veterans organization may obtain a license to conduct a raffle event. The fee for a raffle event license is \$25 for the first raffle event conducted by the organization. The renewal fee depends on the total gross revenue obtained by the organization from the previous raffle event. The renewal fee is computed according to the table below. In FY 2001, 600 raffle event licenses were issued and revenue from license fees totaled \$76,525. Gross revenue earned by licensed organizations from raffles conducted during FY 2001 totaled approximately \$12.7 M.

The bill would allow individuals who are not members of a qualified organization conducting a raffle event to market and sell raffle tickets for that organization. Presumably, this could increase the availability of raffle tickets to consumers and make the purchase of raffle tickets more convenient for consumers. Thus, the bill could lead to an increase in gross revenue to licensed organizations from raffle ticket sales and in the number of organizations conducting raffles. Both of these results would lead to an increase in revenue from the raffle event license fee. However, given the current fee structure for raffle event licenses and given that the vast majority of licensed organizations reported earning less than \$50,000 in gross revenue from raffles in FY 2001, a reasonable increase in raffle ticket sales would likely have only a minimal impact on revenue from the license fee.

Gross revenues of at least:	Gross revenues less than:	Fee
\$ 0	\$ 15,000	\$ 25
15,000	25,000	75
25,000	50,000	200
50,000	75,000	350
75,000	100,000	600
100,000	150,000	900
150,000	200,000	1,200
200,000	250,000	1,500
250,000	300,000	1,800
300,000	400,000	2,500
400,000	500,000	3,250
500,000	750,000	5,000
750,000	1,000,000	6,750
1,000,000	1,250,000	8,500
1,250,000	1,500,000	10,000
1,500,000	1,750,000	12,000
1,750,000	2,000,000	14,000
2,000,000	2,250,000	16,250
2,250,000	2,500,000	18,500
2,500,000	3,000,000	22,500
3,000,000		25,000

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of State Revenue.

**Local Agencies Affected:**

**Information Sources:** FY 2001 Charity Gaming Annual Report, Department of State Revenue, October 1, 2001. Indiana Handbook of Taxes, Revenues, and Appropriations, FY 2000.